



Army Sponsorship and Advertising Briefing

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U.S. Army

**Community and Family Support
Center**

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Session Overview



- Program Overview/Policies
- Military Market Appeal/Sponsor Obj
- Key Players
- Sales Process
- Internal Controls
- Financial Reporting
- Q&A/Wrap Up



Sponsorship



Mission

Support vital MWR programs by obtaining private sector funding, services, or supplies in exchange for advertising and promotional opportunities within the Army community.



Written Policy



- 1988 Originally authorized by OASD as an exception to DoDI 1015.2
- 1995 OASD authorized addition of advertising
- **Current Policy:**
 - **DoDI 1015.10 (Encl. 9 and 10)**
http://www.dtic.mil/whs/directives/corres/pdf/i101510wch1_110395/i101510p.pdf
 - **AR 215-1 (7-47)**
http://www.armymwr.com/corporate/regulations/r215_1.pdf
 - **Army Sponsorship Desk Reference**
<http://www.armymwr.com/corporate/docs/marketing/corporatepartnerships/CSDeskReference.pdf>
- All services participate in sponsorship.



Sponsorship Definition



THE EXCHANGE OF VALUES.

The exchange of cash/goods/services in return for advertising and promotional opportunities.

“Quid Pro Quo” = Exchange of values

Not a gift or donation!



Essential Sponsorship Components



- Exchange of Value
- Written Agreement
- Legal Review



Gift & Donation Definition



- **Unsolicited**
- In best interests of Army
- **No exchange of value**
- AR 215-1, para 7-39
- Legal office must review offer





Commercial Advertising



- Authorized by DoDI 1015.10, Encl 10 & AR 215-1
- Two functions
 - Sell space in MWR media
 - Print
 - Electronic (website or marquees)
 - Signs
 - Purchase advertising in commercial media for events open to the surrounding community.





Commercial Advertising



- Installation examples
- On-line
 - Commercial NAF site (.com site, not .mil)
- Prohibited on Armed Forces Radio & Television Service, commander channels and APF electronic media





Programs/Events



Eligible for

Sponsorship

- MWR programs and events
- Army Family Team Building (AFTB)
- Army Family Action Plan (AFAP)
- Army Community Services (ACS)
 - * Events open to the military community
 - * Designed to target military consumers vs. MWR employees
 - * Must be NAF component of Event/Activity vs. employees



Sponsorship Guidelines



- No cost to federal government
- Consumer Products – no gov't contractors
- AAFES coordination
- Solicited sponsorship
- Unsolicited sponsorship (alcohol, tobacco)



Primary Sponsor



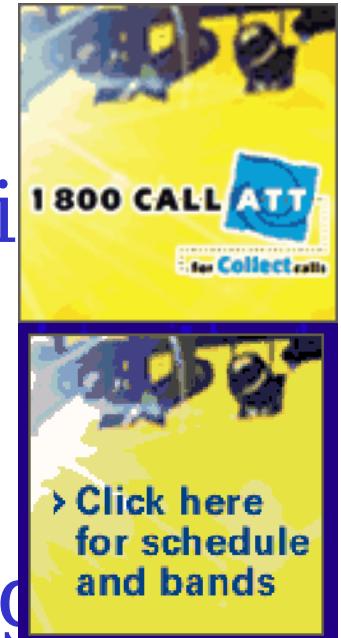
- Increase sales (both direct and indirect)
- Generate visibility & awareness
- Create or change image
- Differentiate from competitors
- Demonstrate commitment to specific group
- Gain platform for business-to-business marketing



What the Military Offers



- On-site event presence
- Media tie-ins- TV, Radio, Print
- Verbal recognition
- Web ads
- Billboards/Electronic Signs
- Research





What Corporations Offer

- Cash
- Products
- Services
- Credibility





Key Players



- Sponsorship Professional
- Command
- Installation Legal Office
- Program Manager
- Marketing Team (Co-Workers)



Sponsorship Manager's Role



- Questions for Program Manager
 - Activities?
 - Audience?
 - Attendance?
 - Advertising/Promotions?
- How can this event benefit potential sponsors?
 - Offered benefits?
- Packaging Events? Partnering with MWR?
- Prospecting - ask for leads



Sales Process



- Team meeting w/key players
- Create timeline
- Identify potential sponsors
- Determine client needs and objectives
- Customize proposal based on client needs



Sales Process Prospecting



- Active sponsors
- Sponsors of other events in your area
- Cold Calls
- Chamber of Commerce/community involvement



Sales Process



- Follow up
- Obtain commitment
- Draft written agreement
- Legal review and approval
- Signature by both parties
- Execute all sponsor benefits
- **After-action report (AAR)**



Internal Controls



- Imagine you were audited:
 - Management controls
 - Installation SOP
 - Army regulations (DoDI)
 - Army sponsorship desk reference





Internal Controls



- Program Policy
 - Find policies in AR 215-1 para 7-47; Sponsorship Desk Reference, AR 210-1; DoDI 1015.10, Encl. 9 + 10
 - Events and programs
 - Solicitation/proposals
 - Coordination with AAFES
 - Tobacco and alcoholic beverages
 - Responsible Use Campaign/The Surgeon General's Warning
 - Designation Memo
 - The Installation POC
 - Annual training and ethics briefing



Internal Controls



- Legal Review

- All agreements must be in writing
- Agreements cannot exceed 1 year, annual renewals NTE 5 years
- Right of First Refusal- negotiable benefit
- Work in advance
- Good relationship with Legal – involve early



Internal Controls



- Legal Review
 - Agreements must include:
 - Event or program description
 - Detailed summary of MWR and Client obligations and responsibilities
 - Value of client fee (cash, goods, services)
 - Term and termination clause
 - Certification that no costs incurred by sponsor are charged to Federal Government
 - Force Majeure clause
 - Independent contractor clause
 - Assignment clause
 - Appropriate disclaimers- responsible use



Internal Controls



- Record Keeping



- Keep accurate records of all transactions – provide audit trail
- Invoices include name of event/program, dollar amount, and FMD address for payment
- All monetary transactions by check –
NO CASH



Internal Controls



- Record Keeping (cont.)
 - Signed Agreement
 - Sponsor's name, organization, and address
 - Event or program sponsored
 - Retail value of sponsor's fee (cash, goods, services) and appropriate documentation
 - Solicitation documentation
 - Legal concurrence document (coordination)
 - Copy of invoice/check



Internal Controls



- Accounting Procedures
 - Budget Guidance
 - FY02 S/A established in Budget Guidance
 - FMD only authorized agency to accept payments
 - Sponsorship income credited to GLAC 553
 - Advertising income credited to GLAC 557
 - FMDs received briefing on Budget Guidance
 - Work with your FMD people, **build relationship**
 - Website for FY03 Budget Guidance:
[www.armymwr.com/corporate/operations/financial/
operating_guidance/03guide/default.html](http://www.armymwr.com/corporate/operations/financial/operating_guidance/03guide/default.html)

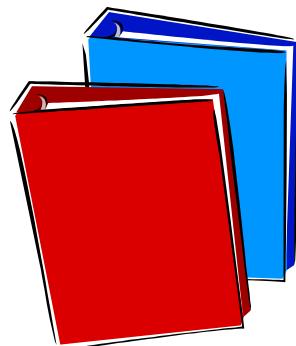


Financial Reporting



- Reporting Requirements
 - Bi-annual reports
 - Revenue and expenses
 - Installation SMIRF data

<http://www.hqmwr.army.mil/Misapps/SMIRF/smirf.htm>





Financial Reporting

- Reporting Procedure
 - CFSC provides forms and instructions
 - Installations submit reports to MACOMs/ Regions
 - MACOMs/Regions validate and compile, then submit to CFSC
 - CFSC analyzes total revenue and expenses data and submits Army-wide report



Financial Reporting



- Reporting Measurements

- Revenue

- Advertising Income

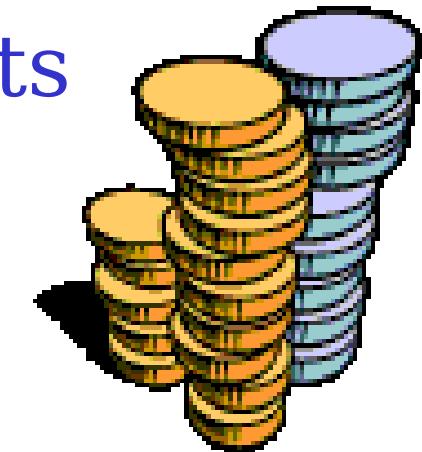
- Cash

- 100 %

- Sponsorship Income

- Cash

- 100 %





Financial Reporting

- Reporting Measurements
 - Revenue (cont.)
 - Sponsorship
 - In-Kind
 - Budgeted/cost avoidance items - 100%
 - Media - 50% of stated retail or rate card value
 - Program Enhancement - 50% of stated retail value for any single item valued at \$150 or higher





Financial Reporting



- Reporting Measurements
 - Expenses
 - Labor
 - Total cost including benefits, overtime, comp time
 - Cost of Sales/Associated Costs
 - Any item used in sales
 - Training/Professional Development
 - Industry association membership fees, conference registration fees.





Where are We Headed?



- Command Directive
 - Emphasis on generating cash, not in-kind
- Return on Investment
 - Income/Expense Comparison
- Battling slowing economy and spending
 - Companies must justify how they spend their funds
- Focus on several revenue-producing events/programs
 - Packaging
 - Client focused
- Bringing revenue and benefits directly to installations
 - Army-wide Promotions
 - Army-wide Franchise Advertising



Contact Information



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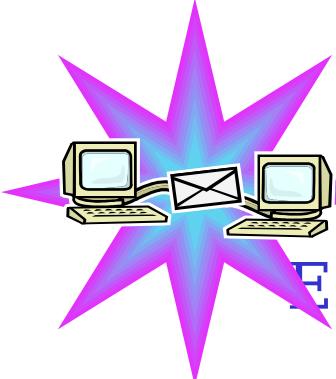
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GOOD LUCK!

